

Book Reviews

The Stages of Economic Growth. A non-communist manifesto. W. W. Rostow. Cambridge University Press, New York, 1960. xii + 179 pp. Illus. Paper, \$1.45; cloth, \$3.75.

Today, it is much too fashionable for economists to limit themselves to refining points of already almost invisible tenuousness or to constructing more abstract models of idealized relationships. W. W. Rostow has instead had the courage to choose as his subject a major portion of contemporary economic reality and the imagination to treat that subject both historically and within its broader political and social context. In this little book, based on lectures delivered a year ago at Cambridge University, he makes one of the most important contributions of recent decades to our understanding of the process of economic growth and its probable consequences for the future of both the United States and the world.

Rostow analyzes the nature and causes of five main stages in the economic life of national economies since the late 18th century. The initial stage is that of the traditional society, predominantly agrarian, with low productivity and little if any economic growth, and with political power and income distribution determined by age-old status relationships. Beginning in England in the late 18th century, and now affecting virtually all traditional societies remaining on the planet, the second stage involves the formation of the preconditions for accelerated economic growth, largely as a result of the traditional society's reaction to the intrusion, actual or threatened, of economically more advanced nations. This "reactive nationalism," as Rostow calls it, weakens the traditional relations of domination and subordination, introduces new attitudes and ideas regarding economic activity, and makes available the latest technological advances for raising productivity.

When the annual rate of investment rises to 10 percent or more of the na-

tional income, the economy then enters the third stage, the "take-off" into accelerating economic growth. Productivity climbs rapidly in certain leading economic sectors, which in turn stimulate technological innovation in other parts of the economy. Once launched into such self-contained growth, the economy drives toward maturity (in Rostow's phrase) over a period of about 60 years; this phase constitutes the fourth stage. Finally, when modern technology has penetrated throughout the economy and large-scale resources have become increasingly available, the society enters Rostow's fifth stage in which a choice must be made among three possible national goals—high mass consumption of durable goods, cradle-to-grave social welfare, or the external assertion of national power and influence in colonialism or aggressive wars.

Devoting a chapter to each of these stages, Rostow analyzes their distinctive characteristics and the nature of the qualitative transformations which convert one stage into the other. Skillfully combining many creative ideas of his own with those of other scholars, he illuminates aspects of the economic growth process which have, hitherto, been obscure and relates them to the broader political and social framework in ways that provide fruitful suggestions for more detailed investigation beyond the scope of his small book. Rostow's views on the role of agriculture in the economic growth process, on the differences in the successive generations of business leadership and the consequences caused by these differences, on the factors influencing early and late colonialism, and on the relationship of communism to the stages of economic growth are only a few examples of the many valuable insights supporting his analysis.

Rostow's observations about the future seem even more exciting and fruitful than his observations on the past. In the later chapters of the book, he looks beyond the current, fifth stage

of high mass consumption (or its social welfare or world imperial alternatives), which the United States may soon be completing and the Soviet Union just entering. Rostow's projection of the future choices confronting the United States and the Soviet Union—in both their internal affairs and their external relations—and his forecast of the basic issues in world politics over the remaining decades of the century are, unfortunately, too complex to be summarized here. But they deserve the serious consideration not only of government officials and scholars in the field but of all Americans who are concerned with the preservation of humane values in the difficult and dangerous years that lie ahead.

It in no way detracts from the value of this book that Rostow has been impelled by a long-standing ambition to go beyond systematizing what we know about the forces shaping modern history to claiming—with the Hegelians—that the resulting system, in fact, determines history. He tells us in the introduction that his stages-of-growth analysis "constitutes an alternative to Karl Marx' theory of modern history," thereby fulfilling "a decision made when I was an undergraduate at Yale in the mid-1930's." Whether intentionally or not, Rostow implies that Marxism has hitherto provided the only significant account of modern history. He easily demonstrates that his own analysis is superior in certain empirical respects to the analyses of Marx, Engels, and Lenin. But, one may question whether Marxism has, indeed, been as important in the social sciences—as distinct from its political and ideological roles—as Rostow assumes; whether Rostow has actually been able to avoid the errors of Hegelianism which he explicitly disclaims; and whether it is possible to prove that the history of man in society is determined either by the unfolding or by the dialectical action of a pattern immanent in social existence.

This is, nonetheless, a most important book. Written, with only occasional lapses, in nontechnical language, its brilliant synthesis and creative insights are readily available not only to the professional economist but to all who wish to understand better the world in which we live and the fateful choices that lie before us and our children.

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